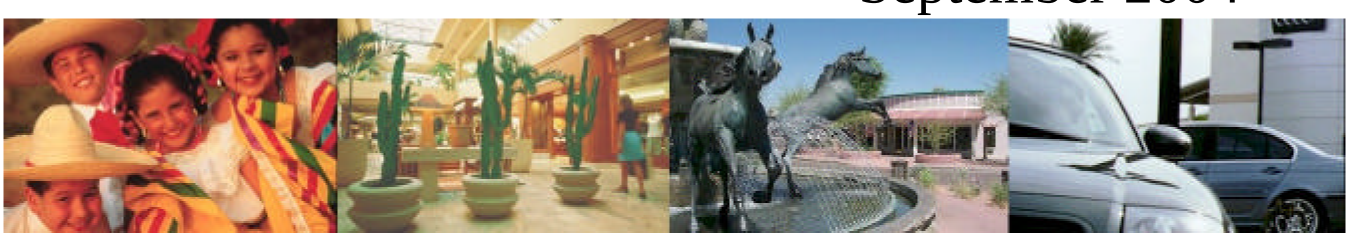
Retail Market Analysis
City of Scottsdale

Economic Vitality Department
September 2004



Retail Market Analysis
Scottsdale, Arizona

A Market and Feasibility Study Outlining The Advantages of a Scottsdale Location for Retail Businesses

August 2004

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EXECUTIVE SUMMARY

The City of Scottsdale continually examines development opportunities that might be available in the community. Currently, one of the areas showing the best potential is that of new or renovated retail facilities. This report was prepared to outline the significant advantages of a Scottsdale location for the retailer and/or retail developer.

The City has prepared this market analysis to outline the advantages of locating in Scottsdale as a whole, rather than on any one particular site. Some of the advantages of Scottsdale important to retailers include:

- A trade area that contains a large and growing population of primarily upper middle class families. Population growth averaged nearly 5 percent annually during the 1980s and maintained an estimated 5.6 percent annual growth rate during the 1990s. In 2003, the growth rate was 3.5 percent. With an estimated median household income of $57,484 in 2000, Scottsdale has one of the highest income levels in the metro area.

- The large population base is supplemented by significant numbers of tourists, winter residents and non-resident employees.

- A strong local economy not severely impacted by national and local recessions. Job growth is strong, unemployment rates are low, and a substantial amount of new home construction is occurring.

- A number of new transportation projects are either planned or underway. The completion of the Pima Freeway (Loop 101) has greatly improved traffic flow throughout the community and to other cities in the metro area.

- Retail vacancy rates are among the lowest in the metro area; while there has been significant growth in retail inventory over the past five years, absorption has been exceptionally strong as well.

- Retail sales per capita (as measured by sales tax receipts) are the highest in the metro area. Average sales per square foot and average rental rates are also the highest in the metro area.

AREA DEVELOPMENT OVERVIEW

METROPOLITAN PHOENIX OVERVIEW

The Phoenix metropolitan area is one of the most dynamic and growing areas in the country. Already the hub of the Southwest, metro Phoenix is rapidly becoming one of the nation's largest metropolitan areas. Driving this tremendous growth is a strong and diverse employment sector, with high-tech manufacturing and research, corporate headquarters, tourism and business/personal services as the basis for this strength. The following is a brief overview of some of the major developments occurring in the Phoenix area today:

- Between 1990 and 2000, Phoenix metropolitan area was one of the fastest growing major markets in the United States. From 1990 to 2000 the metropolitan population grew nearly 47 percent with an actual increase of approximately 910,500 (The current population in the metro area is around 3.4 million).

- Over half of all the metro area manufacturing jobs are in high-tech industries. For the sixth year in a row, more than 75 percent of the employment growth in 2000 for Arizona occurred in the Phoenix Metro area. The Phoenix area's employment grew 4.6 percent over the previous year, 1999, in comparison with a 2.6 percent employment increase for the United States. In 2003, the unemployment figure for metro Phoenix was 5.0 percent.

- Tourism remains an important factor, even with a lower number of travelers since late 2001, in the Phoenix metro area with over 13.29 million visitors last year. Today, there are over 55,000 hotel rooms available in Metro Phoenix and that figure continues to increase.

- In 2003, 42 major companies, with over $150 million in capital investments, decided to relocate or expand their operations in the metro Phoenix area.

- Total retail sales in metro Phoenix were $33.1 billion in 2003, up from $31.4 billion collected last year. The metro Phoenix area accounts for 70 percent of Arizona retail sales. The retail sector, along with the metro population, continues to grow by adding regional, neighborhood and specialty/strip centers.

SCOTTSDALE OVERVIEW

Scottsdale is considered to be one of the most desirable areas within metropolitan Phoenix, from both a business and a residential viewpoint. The City of Scottsdale has one of the strongest local economies, with low taxes and excellent services. Still, Scottsdale remains strongly committed to maintaining a very high quality of life. Development standards are the strictest in the state, and only quality development that is compatible with the area is allowed.

Some of the specific characteristics that make Scottsdale a unique and desirable location include:

- Scottsdale's population growth averaged 5.6 percent annually during the 1990s, compared to 4.7 percent for the metro area; as of July 2003, the population grew to an estimated 217,555, a 3.4 percent increase from 2002; median household income levels are one of the highest in the area at approximately $57,484 in 2000.

- The total assessed value of Scottsdale property (the value at which property taxes are calculated) is second only to Phoenix in the State. Assessed valuation has risen 184 percent in the last 10 years. Scottsdale has the highest assessed valuation per capita in the metro area, at $18,274.

- The property tax rate for the City of Scottsdale currently averages about 33 percent lower than other city's property tax bills in the metropolitan area.

- Retail sales have grown dramatically over the past ten years. Sales tax collections in Scottsdale have increased 126 percent over the past ten years; the sales tax collected per capita is the highest of any community in the state.

- The fiscal year 2003/2004 posted 1,191 single-family housing permits in the City of Scottsdale. The number of permits issued since its peak FY97/98 remains high, but has declined due to the fact that Scottsdale is at an estimated 85 percent build-out capacity. This makes estimates to remain steady for residential permits in FY 04/05 compared to the previous fiscal year.

- Scottsdale is a tourism destination, hosting over 7.4 million visitors in 2003 with an economic impact of $2.6 billion. In addition, Scottsdale was visited by almost 6.2 million day visitors (visitors that did not stay the night in Scottsdale) in 2003.

- Historically, the economic base of Scottsdale was dependent on the tourism industry; additionally, it served as a bedroom community to Phoenix. Today, a number of diverse economic activities are found here: corporate headquarters, research and development activities, high tech, and medical services. Scottsdale currently imports labor as the number of jobs available in Scottsdale outstrips the number of people in the labor force.

SCOTTSDALE MARKET ANALYSIS

POPULATION AND DEMOGRAPHICS

The population of the Scottsdale area is both rapidly growing and relatively affluent. The permanent population, while significant, makes up only a portion of the potential consumer base for a retail facility. Residents from other cities, seasonal residents, tourists, and area employees all contribute to the viability of a Scottsdale location.

PERMANENT RESIDENT MARKET

Tables 1,2, 3 and Chart 1

The estimated population for Scottsdale in 2003 was 217,555; up 67 percent from the 130,069 persons recorded in the 1990 Census. Between 1990 and 2000, Scottsdale grew at an annual average rate of 5.6 percent, higher than the 4.7 percent annual rate for the metro Phoenix area.

Residents of Scottsdale tend to be older, better educated, and more affluent than the average Phoenix metro area resident (see Tables 2 and 3). The median age is currently 41.0 (versus 33.2 for the metro area), 77 percent of the population have had at least some college education (versus 58.4 percent for the metro area), and the estimated median household income in Scottsdale is 28 percent higher than metro Phoenix.

TOURIST MARKET

The Phoenix/Scottsdale area is a major tourist destination, especially during the winter months. During 2003, over 7.4 million tourists visited Scottsdale; approximately 13.29 million visited the Phoenix metropolitan area.

The Scottsdale/Paradise Valley Tourism Study, August 2004, states the average Scottsdale leisure visitor is 50 years old with a household income of $83,800, and is most likely from the Midwest and Western regions of the United States. Scottsdale's most desirable activities and features, as ranked by the leisure traveler, are outdoor recreation, shopping, lodging, cultural heritage, and golf respectively. Nearly two-thirds of all visitors say that their Scottsdale experience was excellent and are extremely likely to return.

EMPLOYMENT MARKET

As one of the primary employment cores of the Phoenix metro area, Scottsdale has a significant amount of employment concentrated within a relatively small area. There are an estimated 22,000 employees working in downtown Scottsdale, 15,000 employees working within the southern portion of the community and over 44,000 people working in or near the Scottsdale Airpark. The Airpark is currently the third largest employment center in the valley, and is expected to surpass the Sky Harbor Airport region as the second largest employment center in the next five years

Currently, over 128,000 jobs are located in Scottsdale; many of these employees are residents of surrounding communities, and therefore provide a significant additional base of potential retail customers.

Since 1999, the economic development efforts of the City and the Scottsdale Chamber of Commerce resulted in the relocation of over 68 major businesses to Scottsdale; these businesses will employ over 8,000 new direct jobs.

Table 1
Population Growth

Year	Scottsdale	Phoenix	Mesa	Glendale	Chandler	Tempe	Gilbert	Peoria	Metro
POPULATION									
1975	77,107	668,046	100,086	66,585	20,025	94,300	3,100	8,651	1,217,500
1980	88,364	789,704	152,453	96,988	29,673	106,743	5,717	12,171	1,509,052
1985	108,447	873,400	239,587	122,392	63,817	132,942	16,180	30,324	1,814,700
1990	130,069	983,403	288,091	148,134	90,533	141,865	29,188	50,675	1,952,447
1995	168,176	1,149,417	338,117	182,615	132,360	152,821	59,338	74,565	2,551,765
2000	202,705	1,321,045	396,375	218,812	176,581	158,625	109,697	108,364	2,862,909
2001*	209,960	1,344,775	414,075	224,970	186,875	159,435	122,360	117,200	3,192,125
2002*	214,090	1,365,765	427,550	227,495	194,390	159,425	133,640	122,655	3,296,250
2003*	217,555	1,387,670	434,215	230,610	208,450	159,615	151,290	126,410	3,396,875
% of Maricopa Co. in 2003	6.4%	40.9%	12.8%	6.8%	6.1%	4.7%	4.5%	3.7%	100%
1975-2000 GROWTH RATES									
Absolute Growth	130,038	652,999	296,289	152,227	156,556	64,325	106,549	99,713	1,645,409
Percentage Growth	162.9%	97.7%	296%	228.6%	781.8%	68.2%	3438.9%	1152.6%	135.1%
Annual Growth	6.5%	3.9%	1.8%	9.1%	31.3%	2.73%	137.6%	46.1%	5.4%
1990- 2000 GROWTH RATES									
Absolute Growth	72,636	337,642	108,284	70,678	86,048	16,760	80,509	57,746	910,462
Percentage Growth	55.8%	34.3%	37.6%	47.7%	95%	11.8%	275.8%	114.1%	46.6%
Annual Growth	5.6%	3.4%	3.8%	4.8%	9.5%	1.2%	27.6%	11.4%	4.7%

Source: US Census Bureau, Maricopa Association of Governments, City of Scottsdale Economic Vitality Department
* Arizona Department of Economic Security Population Estimates

Chart 1

Median Household Income

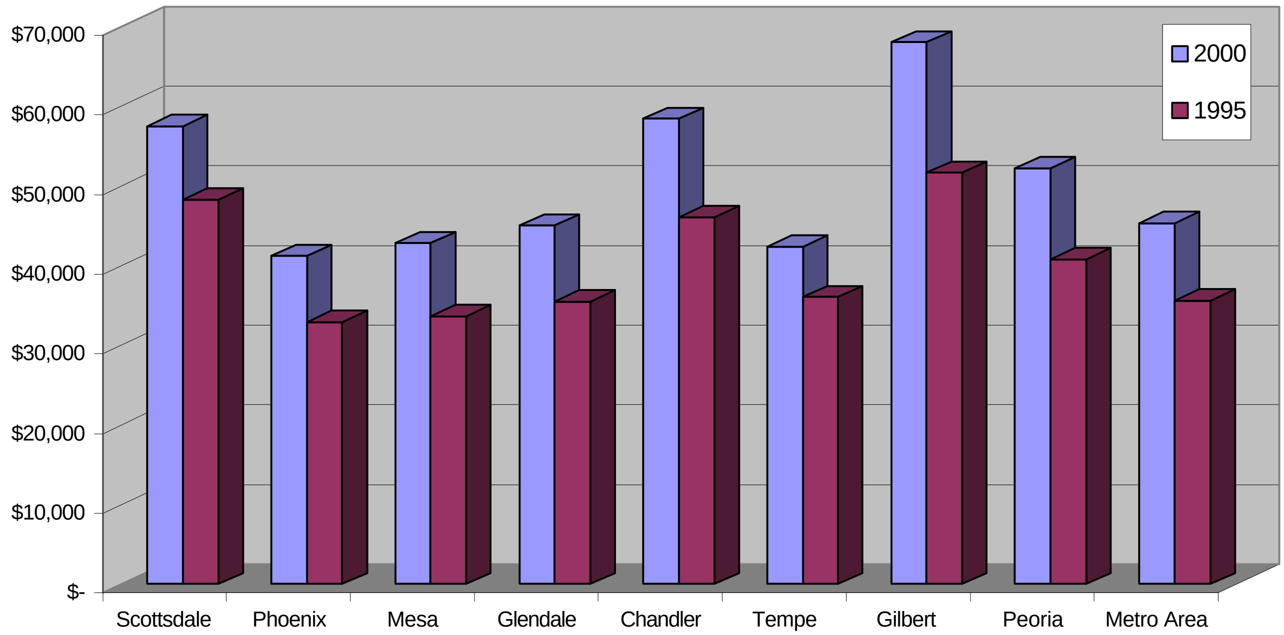


Table 2

Median Household Income

City	2000 Median HH Income	1995 Median HH Income	1990 Median HH Income	Growth Rate
Scottsdale	$ 57,484	$ 48,319	$ 39,037	47%
Phoenix	$ 41,207	$ 32,950	$ 29,291	41%
Mesa	$ 42,817	$ 33,676	$ 30,273	41%
Glendale	$ 45,015	$ 35,483	$ 31,665	42%
Chandler	$ 58,416	$ 46,096	$ 38,124	53%
Tempe	$ 42,361	$ 36,049	$ 31,885	33%
Gilbert	$ 68,032	$ 51,660	$ 41,081	66%
Peoria	$ 52,199	$ 40,820	$ 34,205	53%
Metro Area	$ 45,358	$ 35,623	$ 30,797	47%
Scottsdale median income as compared to Phoenix metro area median income - Scottsdale is higher by:	**27%**	**36%**	**27%**	

Source: Sites USA, 2000 US Census, 1995 Special US Census, 1990 US Census

Table 3
2000 Demographics

	Scottsdale	Metro Phoenix
HOUSEHOLDS		
Total Number	90,669	1,197,250
Average Size	2.22	2.67
AGE BREAKDOWN		
Median Age	41.0	33.2
ETHNICITY		
White	87.4%	56.9%
Black	1.2%	3.7%
Hispanic	7.0%	25.1%
Other	4.4%	14.3%
EDUCATION (Population Over 25)	**2000 Census**	
Less Than High School Graduate	6.5%	18%
High School Graduate	16.4%	23.5%
Some College	26.3%	26.4%
College Graduate	36.0%	23.5%
Gradute Study or Degree	14.7%	8.5%
HOUSING CHARACTERISTICS		
Total Number of Housing Units	90,602	1,194,461
Type of Dwelling Unit		
Single Family	54.6%	58.4%
Townhouse/Condo	13.3%	6.3%
Apartment	31.1%	25.6%
Mobile Home/other	1%	9.9%
Median Home Sales Price (2002) (Arizona Real Estate Center)	$ 294,000	$ 144,000
INCOME		
Median Household	$ 57,484	$ 44,752
Households $75,000+	37.3%	23.9%

Source: 2002 Census, Sites USA

TOURISM

Another important component of the Scottsdale market is that of tourism. In 2003, approximately 7.4 million visitors came to Scottsdale; as with seasonal residents, tourism peaks during the winter months, with February and March being the top two months. These visitors tend to be relatively affluent and spend a significant amount of time and money shopping; a recent study listed shopping as the number one preference of activities available to visitors while in Scottsdale.

HOTEL DATA:	
Number of Hotel Rooms Available in 2003	
Scottsdale/Paradise Valley Market Area	15,484
Metropolitan Phoenix	51,046
Annual Average Room Rates in 2003	
Scottsdale/Paradise Valley Market Area	$ 130.84
Metropolitan Phoenix	$ 100.18
Average Occupancy in 2003	
Scottsdale/Paradise Valley Market Area	62.2%
Metropolitan Phoenix	58.7%
TOURISTS:	
Number of Tourists that Visited in 2003	
Scottsdale/Paradise Valley Market Area	7.4 million
Metropolitan Phoenix	13.29 million
Average Length of Stay in 2003	
Scottsdale/Paradise Valley Market Area	5.2 days
Metropolitan Phoenix	4.5 days
2003 Median Household Income of Visitors in	
Scottsdale/Paradise Valley Market Area	$ 83,800
Metropolitan Phoenix	$ 65,600
ECONOMIC IMPACT OF TOURISM:	
Daily Spending by Category While Visiting in 2003	
Lodging	38%
Food & Beverage	22%
Shopping	17%
Local Transportation	10%
Entertainment/Attractions	13%
Average Daily Expenditures per Person in 2003	
Scottsdale/Paradise Valley Market Area	$ 191
Metropolitan Phoenix	$ 166
Total Visitor Expenditures in 2003	
Scottsdale/Paradise Valley Market Area	2.6 billion
Metropolitan Phoenix	4.7 billion

Source: City of Scottsdale, Economic Vitality Department, Behavior Research Center, Greater Phoenix Convention and Visitors Bureau

TRANSPORTATION

Several major projects that will improve traffic flows throughout Scottsdale are either planned or under construction.

METRO AREA FREEWAY
Map 1

There is construction activity occurring on all of the planned freeways in the metropolitan area. Completion dates for different sections of the freeway system are shown on Map 1.

PIMA FREEWAY

The most significant transportation project in Scottsdale is the Pima freeway (Loop 101), which generally follows a north-south orientation through much of Scottsdale near the existing Pima Road. Construction of this freeway has been expedited by the City of Scottsdale through an agreement with the State of Arizona. Completed in May 2002, the Pima Freeway (Loop 101) loops around the entire metro area and provides access to all the major cities within the metro area.

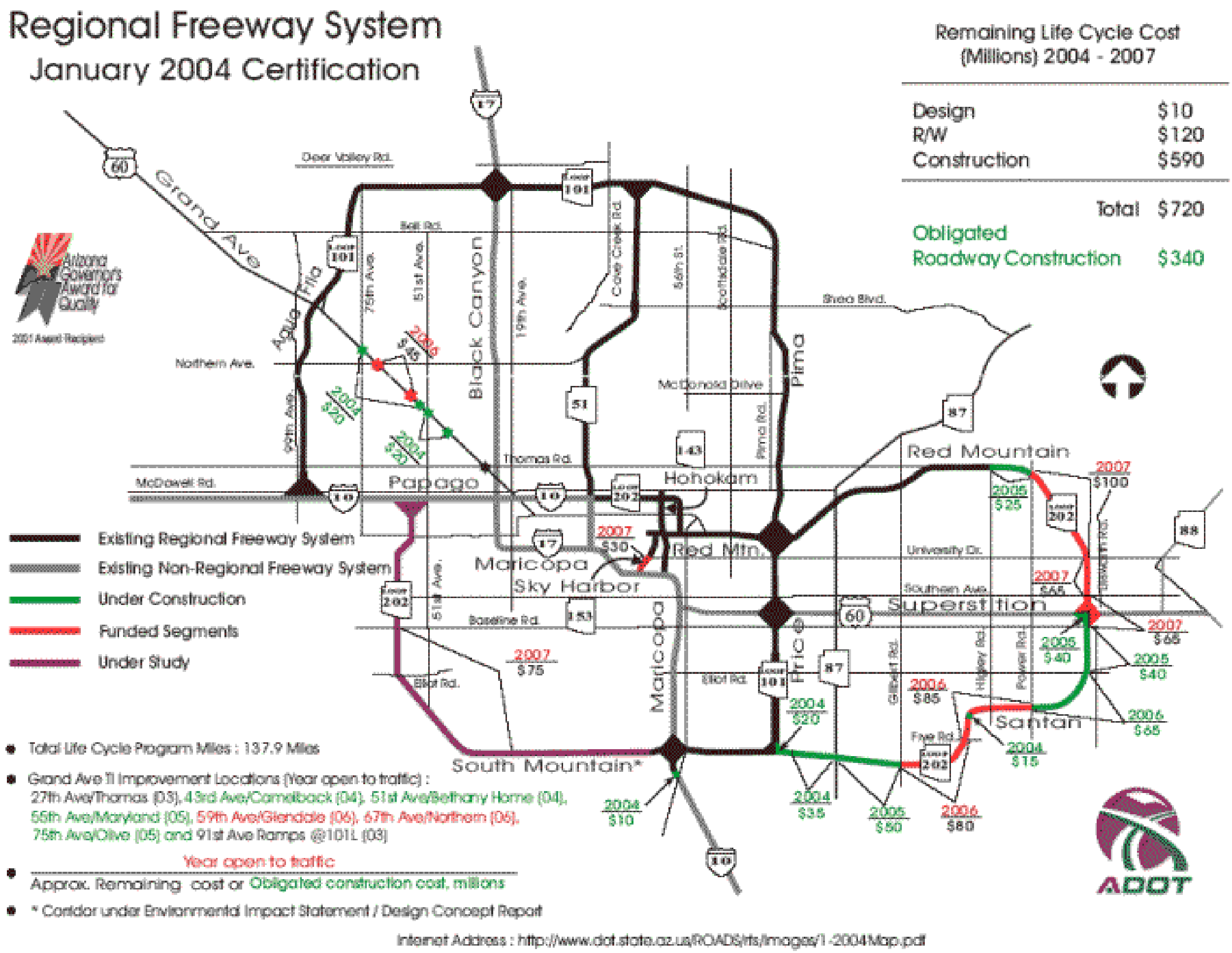
TRAFFIC COUNTS
Map 2 gives a listing of the average traffic volume for major streets in Scottsdale for 2001-2002.

Map 2 is also available at http://www.scottsdaleaz.gov/Traffic/PDF/segments2002.pdf

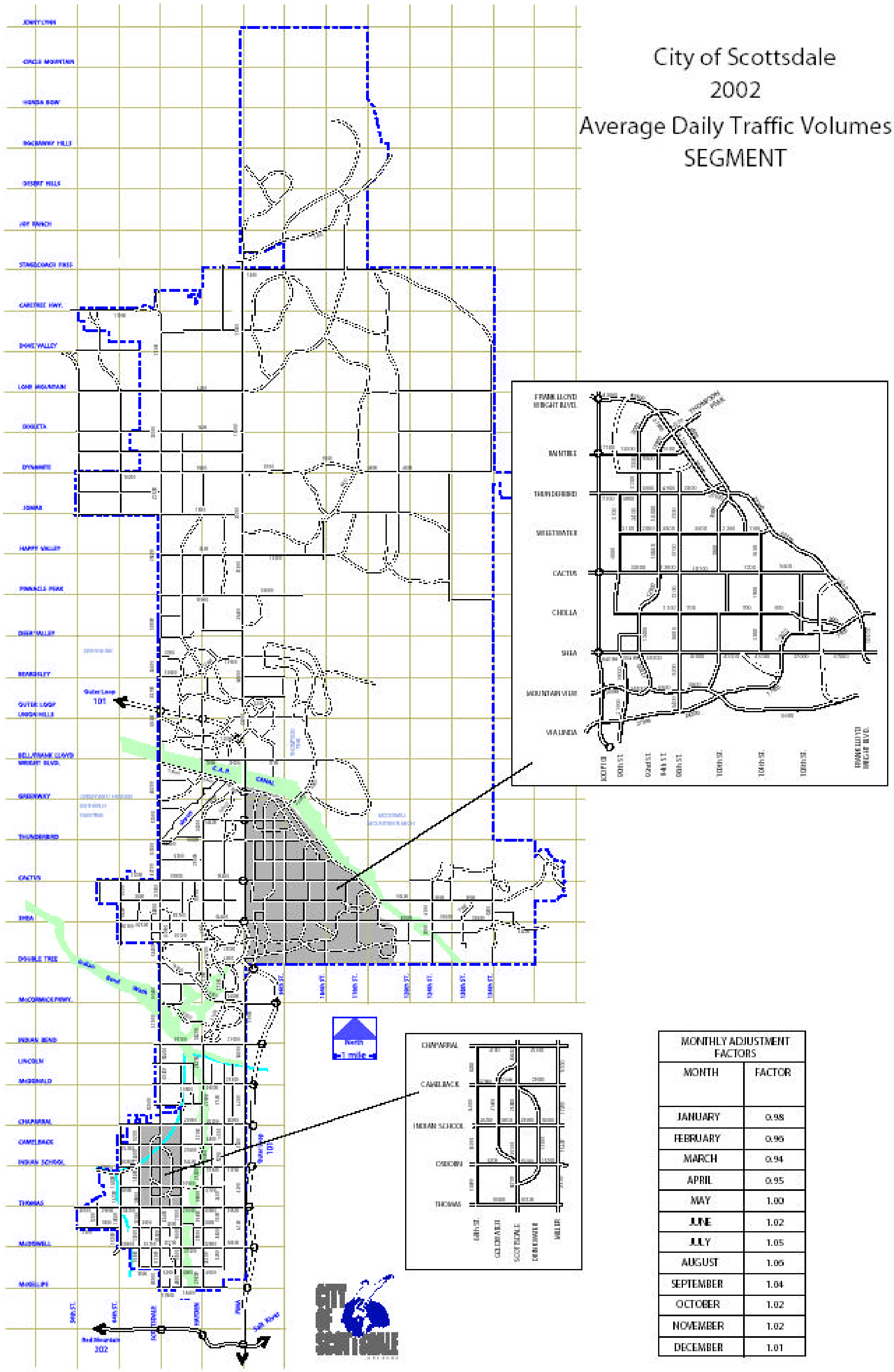
Map 1

Metro Area Freeway

Construction Activity & Completion Date



Map 2
2002 Traffic Volume Counts



MONTHLY ADJUSTMENT FACTORS	
MONTH	FACTOR
JANUARY	0.98
FEBRUARY	0.96
MARCH	0.94
APRIL	0.95
MAY	1.00
JUNE	1.02
JULY	1.05
AUGUST	1.06
SEPTEMBER	1.04
OCTOBER	1.02
NOVEMBER	1.02
DECEMBER	1.01

ECONOMIC TRENDS

ECONOMIC TRENDS

This section examines several factors relating to the economic condition of Scottsdale, including employment, labor force characteristics, unemployment rates, building permit valuation, assessed valuation, and the growth of the tourism industry.

SCOTTSDALE EMPLOYMENT
Tables 4 and 5

Table 4 provides a breakdown of projected employment by industry of Scottsdale residents. Services, retail trade, finance/insurance and real estate (FIRE), and manufacturing were the largest employment categories projected for 2000 in Scottsdale. Ten-year projections indicate that these industries will continue to have a strong presence in Scottsdale.

Table 4
SCOTTSDALE EMPLOYMENT PROJECTIONS BY INDUSTRY AND YEAR

	2000		2010	
	Employment	Percent	Employment	Percent
Agriculture	1,918	1.5%	2,225	1.4%
Mining	122	0.1%	123	0.08%
Construction	7,077	5.5%	7,938	5.1%
Low Tech Manufacturing	2,985	2.3%	3,639	2.3%
High Tech Manufacturing	8,138	6.3%	8,762	5.6%
Transport	3,842	3.0%	4,038	2.6%
Wholesale Trade	6,674	5.2%	8,378	5.4%
Retail Trade	18,725	14.5%	23,507	15.0%
Finance, Insurance, Real Estate (FIRE)	16,440	12.8%	18,141	11.6%
Health Industry	12,785	9.9%	14,934	9.6%
Hospitality	14,652	11.4%	17,900	11.4%
Personal Services	8,446	6.6%	10,600	6.8%
TOTAL	128,652	100.0%	156,267	100.0%

Source: Gruen Gruen & Associates, June 1999

Table 5 lists the 25 largest employers in Scottsdale as of April 2003. Most are technology companies, retailers, resorts, insurance companies, health care, education, and other service activities.

Table 5
Largest Employers in Scottsdale

Rank	Company Name	Employees
1	Mayo Clinic	3,960
2	Scottsdale Healthcare Corporation	3,690
3	General Dynamics	3,400
4	Scottsdale Unified School District	3,000
5	City of Scottsdale	2,111
6	AdvancePCS, Inc.	2,023
8	Scottsdale Insurance Company	2,000
9	Scottsdale Princess Resort	1,100
10	The Vanguard Group	1,100
11	Phase II Solutions	800
12	Desert Mountain Properties	725
13	United States Postal Service - Scottsdale	686
14	McKesson Health Solutions	700
15	The Boulders Resort	680
16	JDA Software Group, Inc.	650
17	First Health Group	610
18	Rural Metro Corporation	608
19	United Blood Services	602
20	Dial Corp	600
21	Pegasus Solutions	600
22	Hyatt Regency at Gainey Ranch	450
23	Nordstrom's	450
24	Scottsdale Community College	400
25	Scottsdale Conference Resort	400
26	Scottsdale Plaza Resort	375
27	Costco	350
28	Dillards	350
29	Radisson Resort-Scottsdale	350
30	Best Software CRM Division	347

Source: City of Scottsdale, August 2004

JOB GROWTH VS LABOR GROWTH AND POPULATION

Table 6 and Chart 2

One method by which the economic vitality of a city is measured is to compare rates of job growth with rates of growth of the labor force and overall population growth, as is done in Table 6. Between 1990 and 2000, Scottsdale experienced a 30 percent increase in job growth (jobs physically located within the City); while the metro area experienced an overall increase in jobs of 29 percent. During the same time period, Scottsdale's labor force (persons who live in the city between 18 and 65 years of age who are employed or actively seeking employment) grew by 30 percent, while the metro area's population grew by 28 percent.

In 1995 there were more jobs located in Scottsdale than there was a local labor force (1.23 jobs per each Scottsdale resident in the labor force). By contrast, the Phoenix metro area (Maricopa County) had a ratio of jobs to labor force of 0.97 in 2000. Job growth and labor force growth in metro Phoenix were both greater than population growth, although job growth in Scottsdale exceeded both population and job growth for the period.

Table 6

Job Growth, Labor Force Growth, and Population Growth

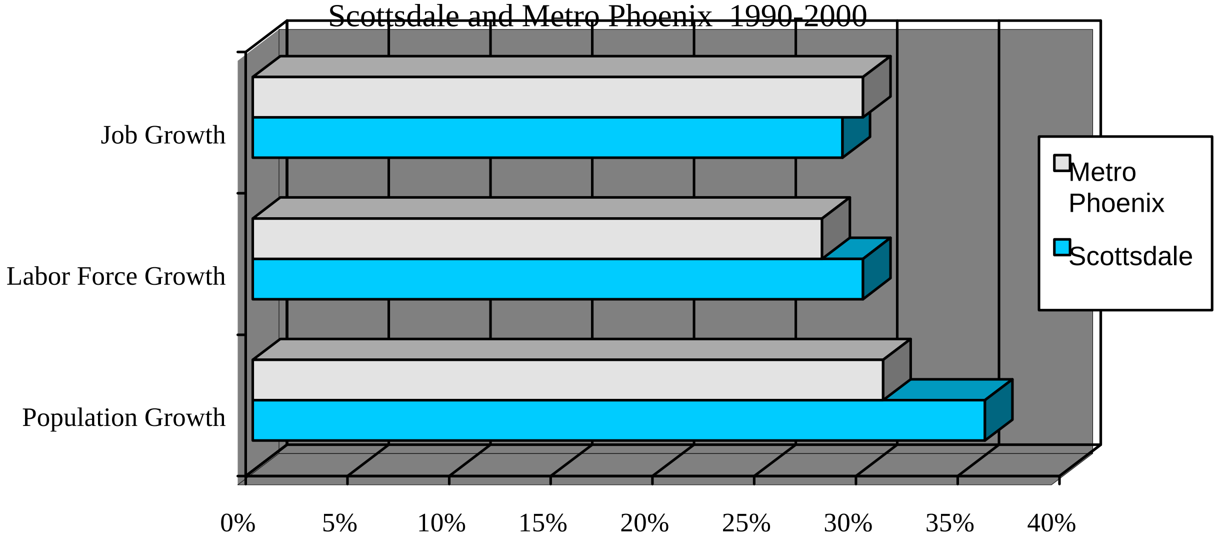
Year	Scottsdale	Maricopa County
JOB GROWTH		
1990	88,967	1,027,007
1995	118,551	1,276,057
2000	126,918	1,454,181
Percent Change 1990 - 2000	30%	29%
LABOR FORCE GROWTH		
1990	72,793	1,074,542
1995	90,579	1,308,729
2000	103,407	1,489,292
Percent Change 1990 - 2000	30%	28%
POPULATION GROWTH		
1990	130,069	2,122,101
1995	168,176	2,551,765
2000	204,564	3,072,149
Percent Change 1990 - 2000	36%	31%
Ratio of Jobs to Labor Force:	1.23 to 1	0.97 to 1

Source: Arizona Department of Economic Security,
City of Scottsdale Economic Vitality Department

Chart 2

JOB GROWTH, LABOR FORCE GROWTH AND POPULATON GROWTH

Scottsdale and Metro Phoenix 1990-2000



In general, cities that have greater population growth than job growth have a tendency to encounter economic problems during periods of recession because they tend to have weak economic bases. It is difficult for a city to control its own economic well being when it is highly residential in nature and has a small economic base. Service demands for residential development tend to be far greater than for commercial development, while residential revenues tend to be lower than commercial revenues.

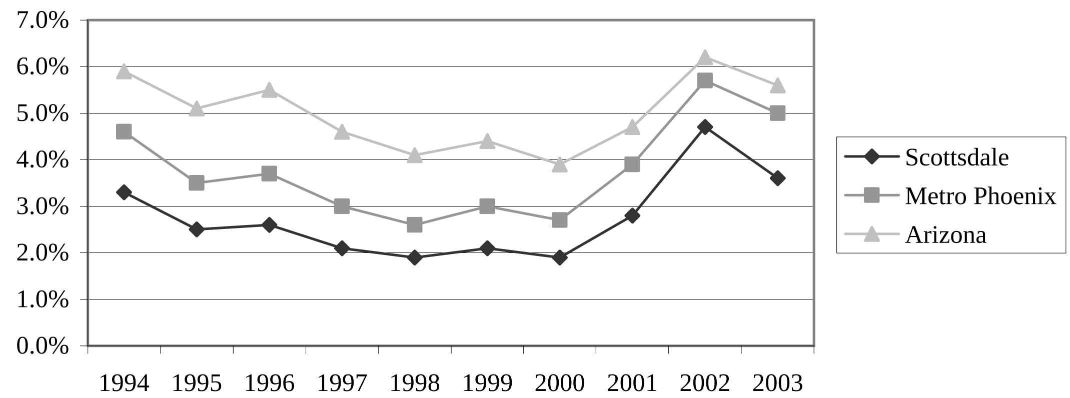
UNEMPLOYMENT RATES
Chart 3 and Table 7

Between 1994 and 2003, Scottsdale's average unemployment rate ranged between a high of 4.1 percent in 2002, to a low of 1.9 percent in 1998 and 2000. Scottsdale parallels the metro Phoenix and Arizona rates, but always at a significantly lower level. The unemployment rate for Scottsdale has consistently been about 30 percent lower than the rate for the entire metro Phoenix area and over 40 percent lower than the rate for the State of Arizona.

Chart 3

Unemployment Rates 1994 - 2003

Average Annual Rates



Source: Department of Economic Security

Table 7

Average Annual Unemployment Rates 1994 – 2003

YEAR	Scottsdale	Metro Phoenix	Arizona
1994	3.3%	4.6%	5.9%
1995	2.5%	3.5%	5.1%
1996	2.6%	3.7%	5.5%
1997	2.1%	3.0%	4.6%
1998	1.9%	2.6%	4.1%
1999	2.1%	3.0%	4.4%
2000	1.9%	2.7%	3.9%
2001	2.8%	3.9%	4.7%
2002	4.1%	5.7%	6.2%
2003	3.6%	5.0%	5.6%

Source: Arizona Department of Economic Security

EMPLOYMENT SUMMARY

Overall, the employment situation for Scottsdale looks positive. The industries that employ significant numbers of Scottsdale's residents are the ones that still are growing (retail and services); industries that tend to be cyclical in nature (for example, construction) are less critical to Scottsdale. The job creation rate is higher than most cities, and certainly higher than the population growth rate. Scottsdale continues to experience faster job creation than population growth, a condition that is expected to continue.

VALUE OF BUILDING PERMITS

Table 8 and Chart 4

The total value of building permits granted in Scottsdale in 2003 was $637.7 million. Chart 4 compares Scottsdale's percentage of permit values and population to that of the Phoenix metro area. Over the last ten years, Scottsdale's building permit valuation, as a percentage of the total for the metro area, has been in the range of 8-17 percent. In 2003, Scottsdale permitted over 9 percent of the Phoenix metro area's building permit valuation, despite having only 6.4 percent of the metro area's population. Scottsdale is receiving a greater percentage of new construction than would be expected for a city of its size. This trend has continued, but declined in the past five years due to decreases in the number of single-family homes.

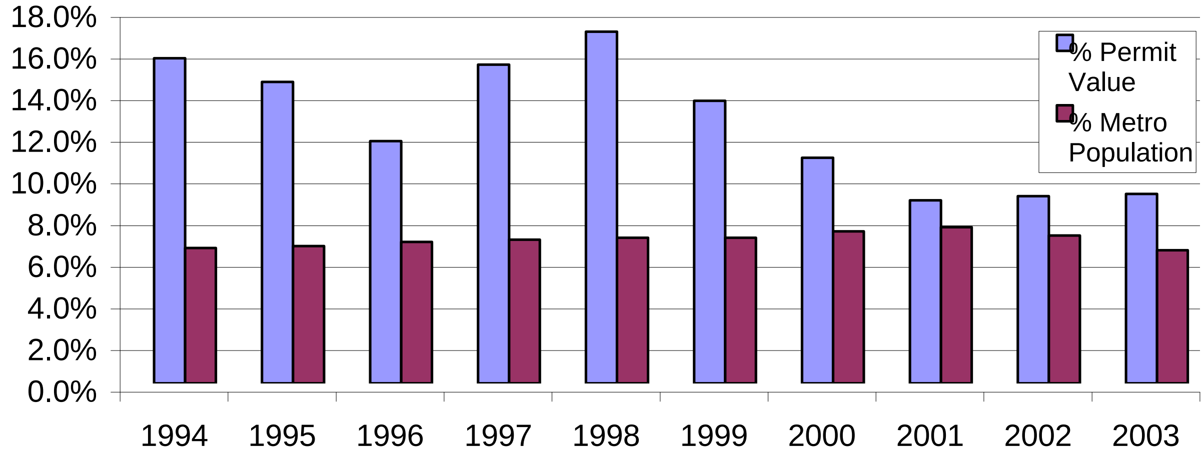
Table 8

Value of Building Permits 1994 – 2003

Calendar Year	Scottsdale	Maricopa County	Scottsdale's Percentage
1994	$ 765,230,036	$ 4,898,379,000	15.6%
1995	$ 788,060,046	$ 5,440,364,000	14.5%
1996	$ 790,858,919	$ 6,798,341,000	11.6%
1997	$ 1,095,205,453	$ 7,153,345,000	15.3%
1998	$ 1,431,771,972	$ 8,477,796,000	16.9%
1999	$ 1,130,304,322	$ 8,324,511,000	13.6%
2000	$ 939,402,365	$ 8,665,613,000	10.8%
2001	$ 820,362,000	$ 9,332,597,000	8.8%
2002	$ 610,594,653	$ 6,751,142,000	9.0%
2003	$ 637,735,176	$ 7,039,184,000	9.1%

Sources: City of Scottsdale One Stop Shop;
Arizona Real Estate Center, Arizona State University

Chart 4
Building Permit Valuation
Scottsdale's Percentage of Permit Values and Population
Compared to Metro Phoenix



Source: City of Scottsdale One Stop Shop;
Arizona Real Estate Center, Arizona State University

Growth in Assessed Valuation
Chart 5 and Table 9

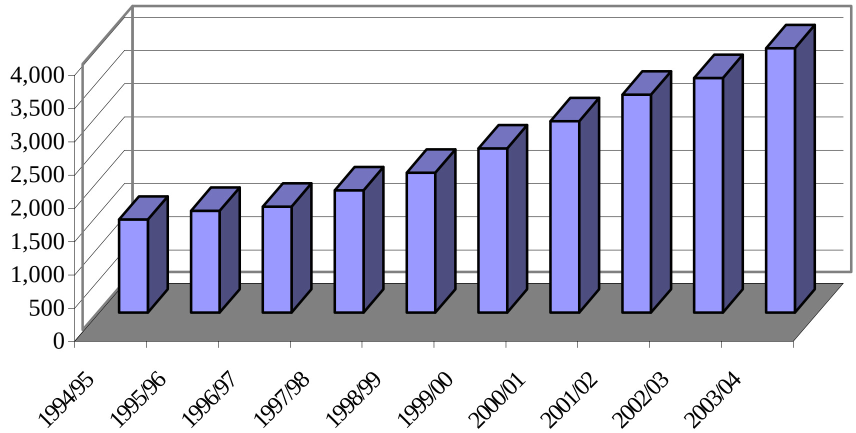
The secondary assessed valuation of property in Scottsdale has risen since FY94/95 from $1.4 billion to nearly $4.0 billion in FY03/04. This represents a 184 percent increase over a 10-year period. Scottsdale is second only to the City of Phoenix in assessed valuation in the State of Arizona.

During the eighties, the rate of increase was relatively constant. However, with the recession of the early nineties, total assessed valuation actually declined from 1991/1992 to 1993/1994. Increases since 1994/1995 reflect a rebound in assessed valuation due to a healthy, stable valuation environment coupled with new construction activity. Valuation increased by 12.73 percent in 2003/2004 over the previous year. Scottsdale should continue to see increases in valuation.

Chart 5

Assessed Valuation: FY 1994/95 - 2003/04

City of Scottsdale (in Millions)



Source: City of Scottsdale Financial Services Department

Table 9

Change in Assessed Valuation: 1994/1995 - 2003/2004

Fiscal Year	Total Net Secondary Assessed Valuation	Percent Change
1994/95	$ 1,399,126,000	3.42%
1995/96	$ 1,530,088,317	9.36%
1996/97	$ 1,591,800,942	4.03%
1997/98	$ 1,839,090,230	15.54%
1998/99	$ 2,102,351,943	14.31%
1999/00	$ 2,469,628,670	17.47%
2000/01	$ 2,877,733,056	16.52%
2001/02	$ 3,277,950,767	13.91%
2002/03	$ 3,526,604,612	7.59%
2003/04	$ 3,975,522,084	12.73%
% Change FY 94/95 - FY 03/04:		**184%**

Sources: City of Scottsdale Financial Services Department

Notes: Arizona secondary assessed valuations reflect the “full-cash” value of property; there are no restrictions on the growth rate of the values. As a comparison, primary assessed valuation are restricted in their growth rate

TOURISM

Table 10

In 2003, 392 new hotel rooms were added to the Scottsdale/Paradise Valley market area. Smith Travel Research reported that Scottsdale's 2003 occupancy was 62.2 percent and the calculated average room rate was $130.84. Occupancy has increased the last two years after a one-year decrease from 2000 to 2001. In 2003, bed tax revenues totaled $6.7 million, a slight decrease from the previous year. Over the past ten years, total bed tax collections (3 percent of room revenues) have ranged from $4.6 million in 1994 to $7.6 million in 2000.

Table 10

Growth in Tourism

1994 – 2003 Scottsdale/Paradise Valley Market Area

Calendar Year	Hotel Room Inventory	Average Room Rate	Average Occupancy Rate	Scottsdale Bed Tax Collections
1994	8,986	$ 115.63	75.4%	$ 4,582,890
1995	8,867	$ 123.28	76.3%	$ 5,187,265
1996	9,197	$ 130.60	73.5%	$ 5,986,818
1997	10,527	$ 136.25	72.1%	$ 6,623,444
1998	11,061	$ 138.40	68.0%	$ 6,878,352
1999	12,755	$ 136.56	63.3%	$ 6,626,424
2000	13,150	$ 140.53	64.0%	$ 7,619,693
2001	13,248	$ 143.34	59.5%	$ 7,283,608
2002	15,092	$ 133.63	60.3%	$ 6,847,846
2003	15,484	$ 130.84	62.2%	$ 6,746,859

Source: Smith Travel Research

Scottsdale/Paradise Valley Tourism Study Part I: Lodging Statistics; City of Scottsdale Economic Vitality Development

Bed tax collection figures represent Scottsdale only.

SCOTTSDALE RETAIL SPACE

RETAIL SPACE INVENTORY

Scottsdale has seen a substantial growth in retail inventory over the decade of the 1980s. At the beginning of 2003, the Scottsdale market area retail space inventory stood at over 14 million square feet, 13.8 percent of the Phoenix metro inventory (see Table 11). Scottsdale saw significant expansion of its retail space inventory in 2002, accounting for 28 percent of the metro area's entire retail construction during that year. Construction of retail space during 2003 slowed, but Scottsdale's retail space continues to grow at a steady rate compared to the rest of the metro area, maintaining Scottsdale's market share. Scottsdale is expected to maintain a high demand for retail centers because of the completion of the Pima Freeway (Loop 101) and continued population increases.

RETAIL VACANCY RATES

Because of the strong growth in retail construction in 2002, vacancy rates in Scottsdale's retail space increased to 6.8 percent, slightly higher than the metro average of 5.9 percent (see Table 12). However, vacancy in Scottsdale is likely to decrease as the newly constructed retail space is absorbed into the market. Most categories of retail in Scottsdale's older neighborhoods (primary regional, strip, and freestanding) still show lower vacancy rates than the metro figures.

RETAIL RENTAL RATES

Average asking retail rental rates in Scottsdale in 2003 ranged from the $20 per square foot average for neighborhood and strip centers up to the $98 per square foot average for regional space (see Table 11). The average rental rates for all categories of retail space were generally higher than any other metro area, reflecting the strength of the Scottsdale retail market.

Table 11

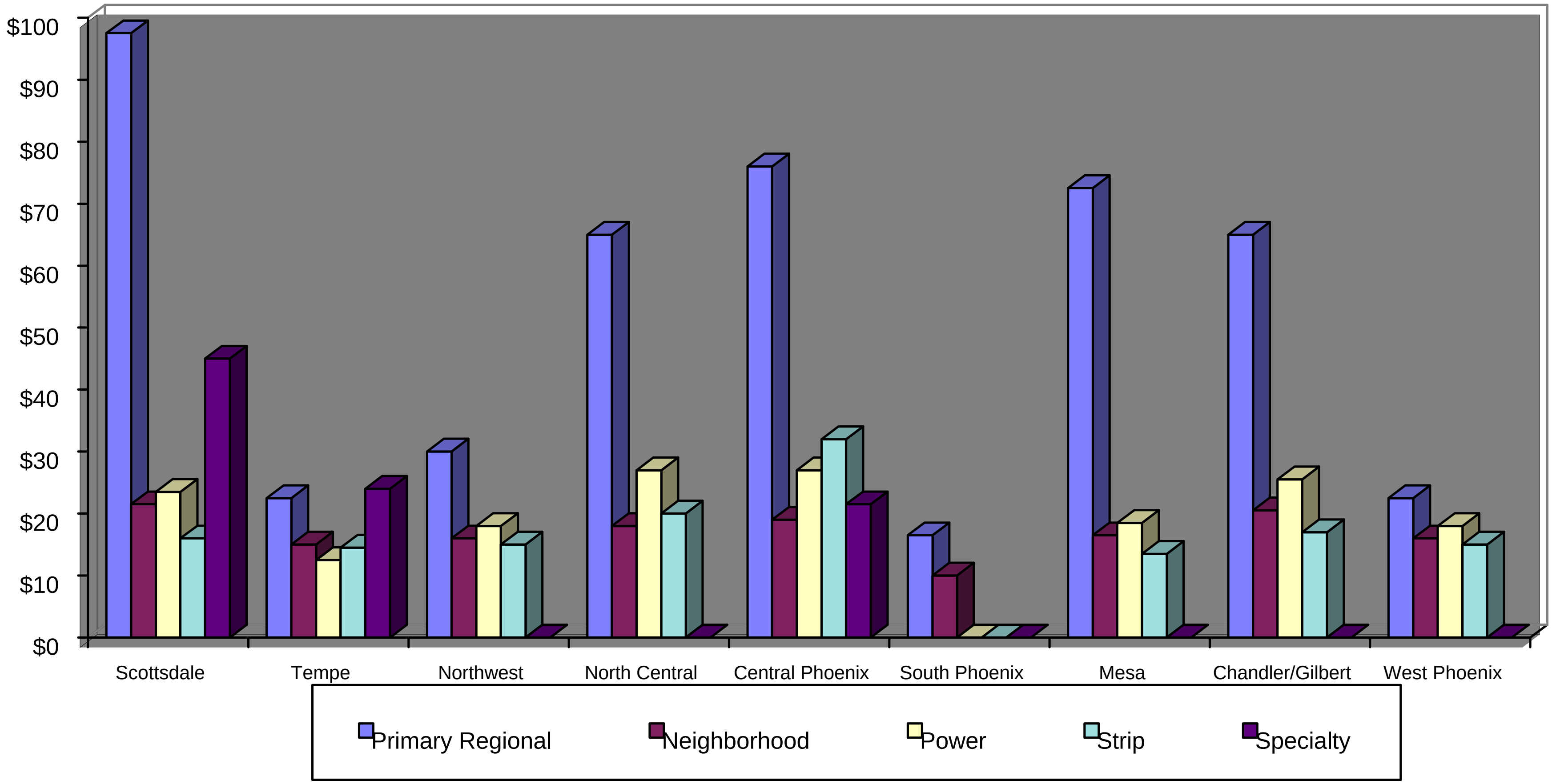
2003 SPACE INVENTORY: METRO PHOENIX SUBMARKETS (sq. ft)

Metro Phoenix Retail Market, Year End 2003

Area Classification	Total Built	Total Vacant	Vacancy Percent	Under Construction	Asking Rate Low-High
NORTHWEST					
Regional	3,966,400	23,620	0.6%	0	$30-$30
Neighborhood	10,054,737	679,228	6.8%	279,462	$4-$34
Power	5,364,626	288,421	5.4%	602,361	$6-$30
Strip	1,378,232	114,522	8.3%	0	$6-$24
SUBTOTAL:	20,763,995	1,105,791	5.3%	881,823	
WEST PHOENIX					
Regional	967,100	176,608	18.3%	0	$10-$35
Neighborhood	4,510,271	346,252	7.7%	410,613	$6-$30
Power	2,759,100	235,208	8.5%	875,000	$4-$30
Strip	382,841	9,360	2.4%	0	$5-$12
SUBTOTAL:	8,619,312	767,428	8.9%	1,285,613	
NORTH CENTRAL					
Regional	1,446,300	25,530	1.8%	0	$25-$90
Neighborhood	4,895,247	447,112	9.1%	56,627	$6-$30
Power	2,774,200	119,668	4.8%	0	$15-$39
Strip	1,012,948	88,265	8.7%	50,075	$6-$34
SUBTOTAL:	10,128,695	680,575	6.7%	106,702	
CENTRAL PHOENIX					
Regional	1,714,100	56,333	3.3%	0	$32-$120
Neighborhood	5,913,597	418,613	5.7%	0	$8-$30
Power	2,092,200	44,289	2.1%	0	$15-$26
Strip	1,065,575	100,276	9.4%	0	$5-$37
Specialty	312,800	0	0.0%	0	$8-$35
SUBTOTAL:	8,668,743	399,595	4.6%	0	
SOUTH PHOENIX					
Neighborhood	794,489	16,250	2.0%	0	$7-$26
Strip	139,522	3,400	2.4%	0	$4-$16
SUBTOTAL:	934,011	19,650	2.1%	0	
SCOTTSDALE					
Regional	2,060,800	5,876	0.3%	0	$45-$150
Neighborhood	5,913,597	418,613	7.1%	0	$8-$35
Power	4,324,501	448,641	10.4%	0	$9-$38
Strip	1,010,877	53,838	5.3%	24,100	$8-$24
Specialty	705,500	32,764	4.6%	0	$20-$70
SUBTOTAL:	14,015,275	959,732	6.8%	24,100	
TEMPE					
Regional	1,501,900	65,000	4.3%	0	$15-$30
Neighborhood	4,452,838	195,563	4.4%	0	$7-$23
Power	1,034,072	160,139	15.5%	0	$7-$18
Strip	897,365	48,570	5.4%	0	$9-$20
Specialty	381,400	13,437	3.5%	0	$22-$26
SUBTOTAL:	8,267,575	482,709	5.8%	0	
MESA					
Regional	2,805,000	29,142	1.0%	0	$20-$125
Neighborhood	8,200,139	636,707	7.8%	596,097	$5-$28
Power	2,929,634	148,439	5.1%	0	$5-$32
Strip	1,724,752	130,621	7.6%	0	$5-$22
SUBTOTAL:	15,659,577	944,909	6.0%	596,097	
CHANDLER/GILBERT					
Regional	1,718,100	82,113	4.8%	0	$10-$120
Neighborhood	7,487,237	401,059	5.4%	265,00	$6-$35
Power	3,859,321	42,299	1.1%	0	$16-$35
Specialty	0	0	9.0%	85,651	$6-$28
SUBTOTAL:	15,659,577	944,909	6.0%	350,651	
TOTALS					
Regional	16,179,700	464,222	2.9%	0	$10-$150
Neighborhood	49,792,623	3,339,481	6.7%	1,607,799	$4-$35
Power	25,137,654	1,487,104	5.9%	1,477,361	$4-$39
Strip	9,309,290	701,972	7.5%	159,826	$5-$37
Specialty	1,399,700	46,201	3.3%	0	$12-$70
MARKET TOTLAS:	101,818,967	6,038,980	5.9%	3,244,986	
Scottsdale % of Total	13.8%	15.9%		0.7%	

Source: Metropolitan Phoenix Retail Market Survey Year End 2003 Grubb & Ellis

Chart 6
Median Rental Rates
Metroplitan Phoenix 2003



Source: Metropolitan Phoenix Retail Market Survey – Year End 2003 Grubb & Ellis

GROWTH IN SALES TAX COLLECTIONS
Table 12

Scottsdale's adjusted sales tax collections have risen at a rapid rate since FY94/95 from $52.2 million to $118.3 million in FY03/04. Part of this increase in revenues can be attributed to increases in the sales tax rate - from 1 percent to 1.2 percent in 1990 (special tax for transportation) and then to 1.4 percent in 1995 (special tax for mountain preservation). Sales tax collections for FY03/04 were 6.7 percent above last year's collection. This increase in sales tax collections shows the strength of the local economy emerging from the post-September 11 recession.

Table 12
Growth in Sales Tax Collections
FY 1994/95 - 2003/04

Fiscal Year	Sales Tax Collections	Percent Change
94/95	$ 52,237,294	16.2%
95/96	$ 66,827,503	27.9%
96/97	$ 74,729,359	11.8%
97/98	$ 84,825,508	13.5%
98/99	$ 97,780,147	15.3%
99/00	$ 108,033,945	10.5%
00/01	$ 113,538,992	5.1%
01/02	$ 111,760,545	-1.6%
02/03	$ 110,813,432	-0.9%
03/04	$ 118,271,696	6.7%

Source: City of Scottsdale Financial Services Department
Notes: Sales tax rate increased by .2% to 1.4% on 7/1/95

SALES TAX COLLECTION COMPARISONS

Table 13and Chart 7

Table 13 presents each of the major metro area cities' sales tax collections since FY92/93. Tax rates have changed for each city in the last decade.

- The City of Scottsdale's sales tax rate was 1.2 percent from FY90/91 through FY94/95, changed to 1.4 percent in July of 1995, and in July 2004 was increased to 1.65 percent.
- Phoenix's sales tax rate, for the most part, was 1.2 percent from FY90/91 through FY93/94, changed to 1.3 percent in December of 1993, once again in November of 1998 to 1.4 percent, and is currently 1.8 percent as of June 2000.
- Tempe's sales tax rate was 1.0 percent from FY90/91 through FY91/92, changed to 1.2 percent from FY92/93 through FY95/96, and has been 1.8 percent since January 2001.
- Generally, Glendale's sales tax rate was 1.0 percent from FY90/91 through FY92/93, then increased to 1.3 percent in April of 1994, and is currently 1.8 percent since January 2002.
- Mesa's sales tax rate was 1.0 percent from FY90/91 through FY98/99 and increase to 1.5 percent in August of 1998.
- Chandler's tax rate was 1.0 percent in FY90/91 and was increased to 1.5 percent in May of 1994.
- Gilbert's sales tax rate has been 1.5 percent since sales tax revenue began to be recorded for FY99/00
- Peoria's sales tax rate has been 1.5 percent since sales tax revenue began to be recorded for FY99/00

Chart 7 and Table 15 compare per capita sales tax collections; Scottsdale leads all other cities in per capita collections by a substantial margin. Prior to FY93/94 most of the other Valley communities, along with Scottsdale, showed very little change in sales tax collections. In FY94/95, however, strong increases in sales tax collections occurred in many valley communities. The per capita sales tax comparison table shows population growth in a number of valley communities off-setting gains in sales tax revenues.

Beginning with FY98/99, sales tax revenue calculations in this report were changed to reflect sales tax revenues collected exclusively for the general fund. The reason for this change was to compare all cities' sales tax revenues on the same basis. This is a substantial change for the Phoenix sales tax revenues because in prior years, revenue that went to other funds was included in the total sales tax revenue figures.

Table 13

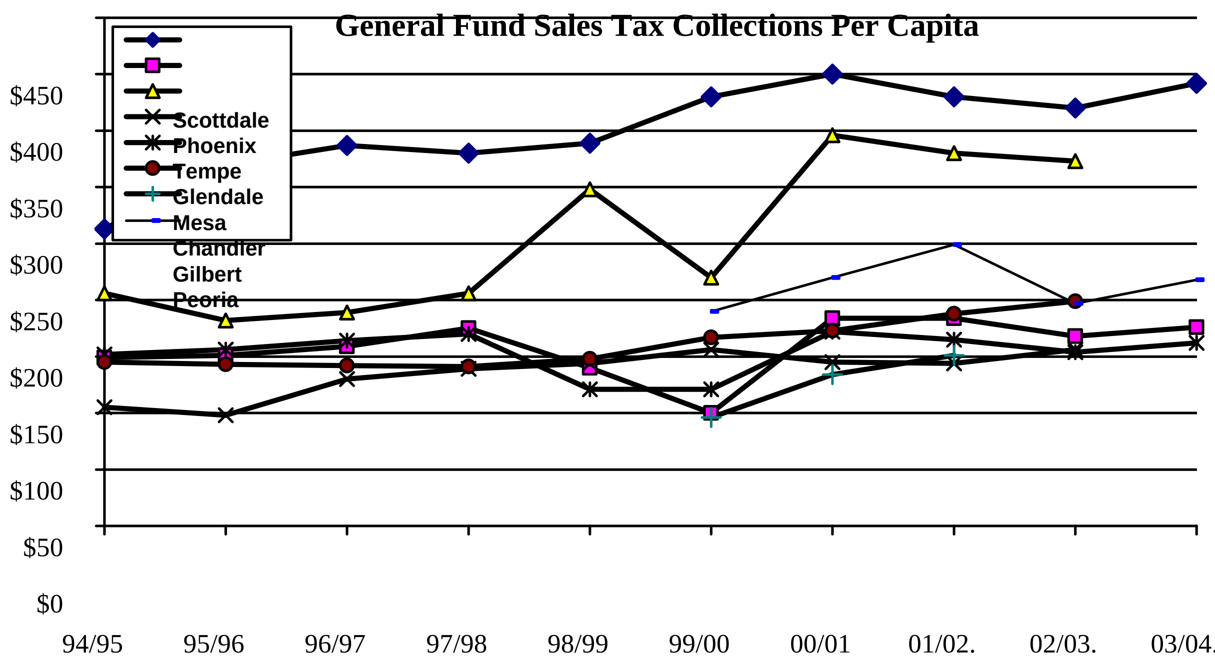
GROWTH IN GENERAL FUND SALES TAX COLLECTIONS: FY 1994/95 – 2003/04

(compared on an adjusted 1% rate basis)

Fiscal Year	Sales Tax Collections	Percent Change
94/95	$43,755,416	14.8%
95/96	$49,476,176	15.9%
96/97	$54,529,621	13.2%
97/98	$61,770,518	11.2%
98/99	$70,735,000	13.3%
99/00	$77,173,395	9.1%
00/01	$81,099,280	5.1%
01/02	$79,828,961	-1.6%
02/03	$79,809,999	-0.0%
03/04	$85,191,220	6.7%

Source: City of Scottsdale Financial Services Department

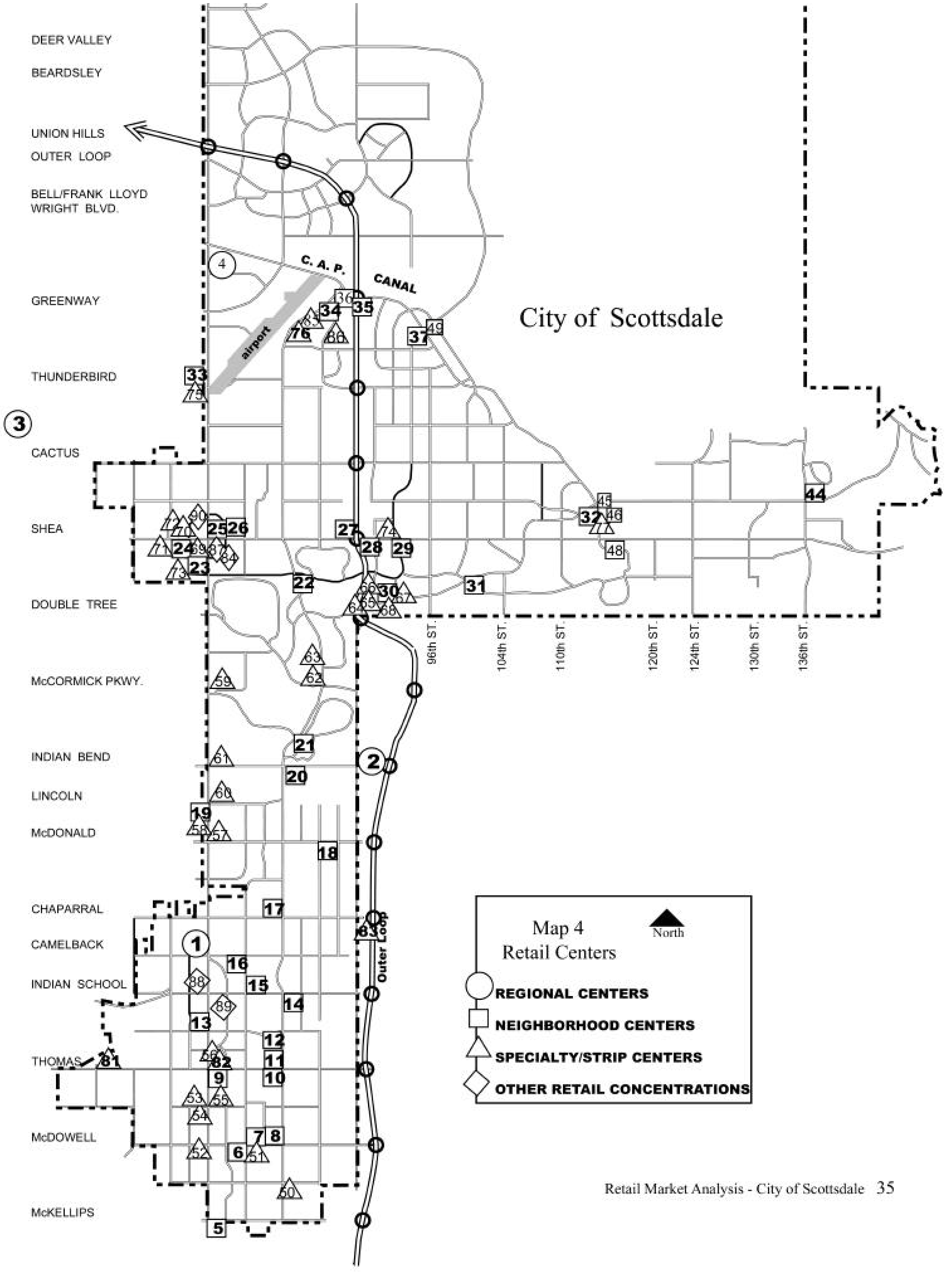
Chart 9



Source: City of Scottsdale Economic Vitality Department

EXISTING CENTERS
Map 4 and Table 14

Map 4 and Table 14 provide an overview of the existing retail facilities in Scottsdale, as well as a few centers that are located adjacent to the cities boundaries in neighboring communities. These centers are broken down by category -- regional centers, anchored neighborhood centers, specialty and strip centers, and other major retail concentrations.


DEER VALLEY
BEARDSLEY
UNION HILLS
OUTER LOOP
BELL/FRANK LLOYD WRIGHT BLVD.
GREENWAY
THUNDERBIRD
CACTUS
SHEA
DOUBLE TREE
McCORMICK PKWY.
INDIAN BEND
LINCOLN
McDONALD
CHAPARRAL
CAMELBACK
INDIAN SCHOOL
THOMAS
McDOWELL
McKELLIPS
C. A. P. CANAL
airport
City of Scottsdale
96th ST.
104th ST.
110th ST.
120th ST.
124th ST.
130th ST.
136th ST.
Outer Loop
Map 4
Retail Centers
North
REGIONAL CENTERS
NEIGHBORHOOD CENTERS
SPECIALTY/STRIP CENTERS
OTHER RETAIL CONCENTRATIONS

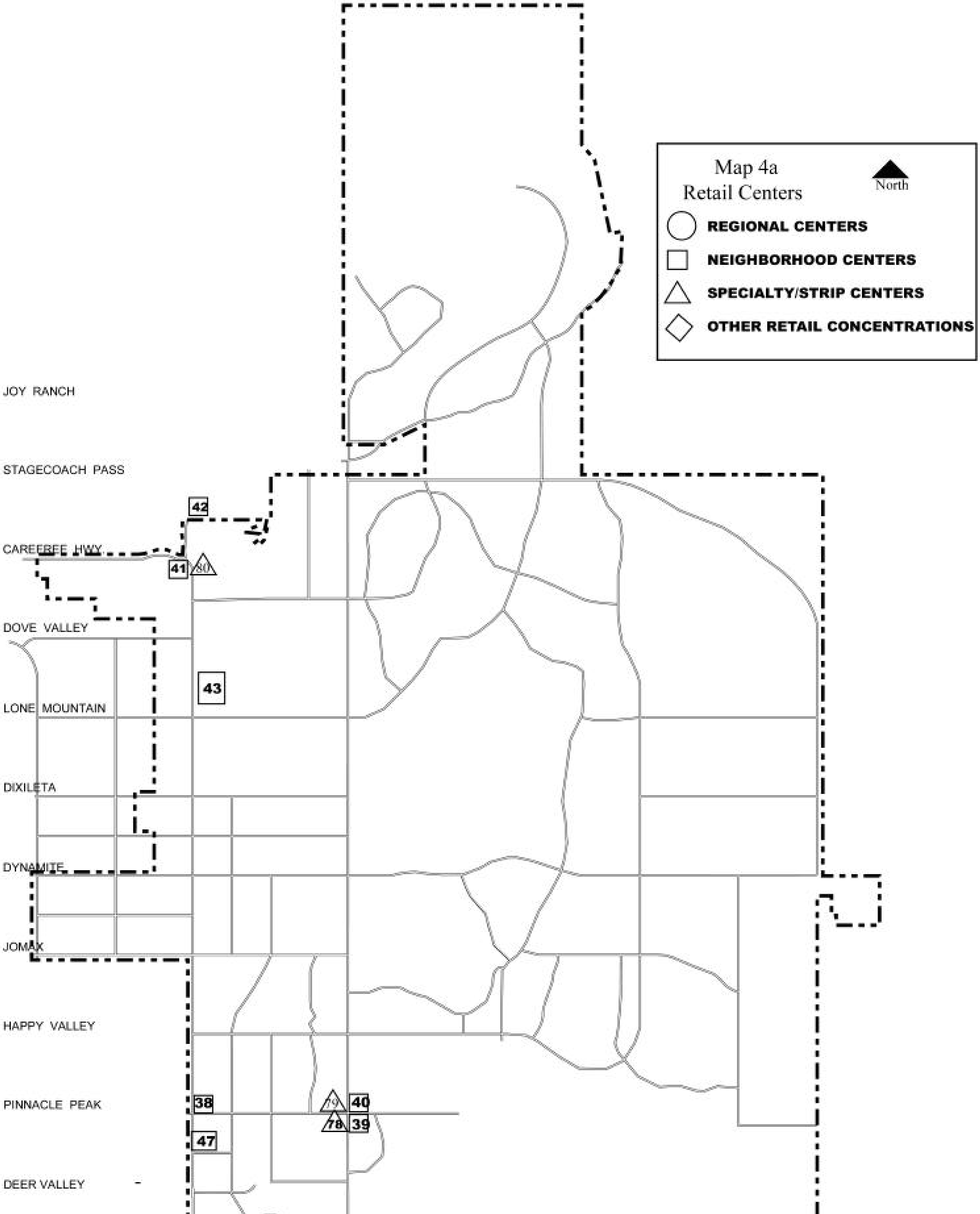

Map 4a
Retail Centers
North
REGIONAL CENTERS
NEIGHBORHOOD CENTERS
SPECIALTY/STRIP CENTERS
OTHER RETAIL CONCENTRATIONS
JOY RANCH
STAGECOACH PASS
42
CAREFREE HWY
41
80
DOVE VALLEY
43
LONE MOUNTAIN
DIXILETA
DYNAMITE
JOMAX
HAPPY VALLEY
PINNACLE PEAK
38
79
40
78
39
47
DEER VALLEY

TABLE 14
EXISTING RETAIL CENTERS

REGIONAL CENTERS

Center Name
Physical Location, Jurisdiction
Center Type, Square Footage, Zip Code
Anchors

1. SCOTTSDALE FASHION SQUARE
   NWC Camelback Rd & Scottsdale Rd - Scottsdale
   Enclosed Super-Regional Mall 1,900,000 sq ft 85251
   Anchors: Dillards (365,000), Robinsons-May (285,000)
   Neiman Marcus (100,000), Nordstrom (225,000)
   Remaining Tenants: primarily upscale, specialty retailers

2. SCOTTSDALE PAVILIONS
   NEC & SEC of Pima Rd and Indian Bend Rd -
   Salt River Pima Maricopa Indian Community
   Power Center 1,090,327 sq ft 85256
   Anchors: Home Depot (120,000), Target (112,000), Mervyns (76,000),
   Ross, UA Cinemas, Cost Plus Imports, Circuit City, Marshall's, Michael's, Best Buy
   Remaining Tenants: discount and category killers, local retail discount shops

3. PARADISE VALLEY MALL
   NWC Tatum Blvd & Cactus Rd - Phoenix
   Enclosed Super Regional Mall 1,350,000 sq ft 85254
   Anchors: Dillards (192,000), Macy's (180,000) Robinsons May (145,600)
   JCPenney (148,600), Sears (125,000)
   Remaining Tenants: mid-level mall shops

4. KIERLAND COMMONS
   NWC Greenway Parkway & Scottsdale Rd – Phoenix
   Office/Retail Center 400,000 sq ft 85254
   Anchors: Barnes & Noble, Crate and Barrel, PF Changs, The Cheesecake Factory, Ann Taylor Loft, J Crew, Morton's of Chicago, Tommy Bahama, Restoration Hardware, Victoria's Secret
   Remaining Tenants: primarily upscale, specialty retailers, offices, and residential

5. SCOTTSDALE PROMENADE
   SEC Scottsdale Rd & Frank Lloyd Wright Blvd - Scottsdale
   Mixed Use Retail Center 720,000 sq ft 85260
   Anchors: Lowe's, The Great Indoors, Old Navy, Cost Plus World Market, PetsMart, Office Max, Trader Joe's, Linens N Things, Nordstrom's Rack, Men's Wearhouse
   Phase 2 Office/Retail Completion Date: October 2004

PARTIALLY OPEN/UNDER CONSTRUCTION

6. SCOTTSDALE 101
   SWC Scottsdale Rd and Loop 101 – Phoenix
   Mixed Use Regional Retail Center 85254
   Tenants: Expo Design Center, Borders, Sportmart, Babies R Us, Bed, Bath & Beyond, Harkins Cine Capri Theaters, Elephant Bar, Hi-Health, Circuit City, Outback Steakhouse, Abuelo's, and Petco
   Remaining Tenants: Small restaurants and specialty retail shops

ANCHORED RETAIL CENTERS
(over 30,000 sq. ft.)

Center Name
Physical Location, Jurisdiction
Square Footage, Year Built, Zip Code
Anchor(s)

7. SUN PLAZA
   SEC Scottsdale Rd & McKellips – Tempe
   77,810 sq ft 1977 85281
   Anchors: Sun Foods/Big!Lots

8. LOS ARCOS CROSSING
   SEC 74th St & McDowell Rd - Scottsdale
   124,349 sq ft 1975 85257
   Anchors: Basha's/Auto Zone

9. FOUNTAIN PLAZA
   NEC McDowell Rd & 77th St - Scottsdale
   105,991 sq ft 1980 85257
   Anchors: Fry's/Dollar Tree

10. K-MART PLAZA
    NWC Hayden Rd & McDowell Rd - Scottsdale
    147,061 sq ft 1963 85257
    Anchor: K-Mart

11. SCOTTSDALE CROSSINGS
    SEC Thomas Rd & Scottsdale Rd - Scottsdale
    119,467 sq ft 1991 85257
    Anchors: Albertson's/Ace Hardware

12. INDIAN RIVER PLAZA
    SWC Hayden Rd & Thomas Rd - Scottsdale
    87,084 sq ft 1979 85251
    Anchors: OSCO/99 Cent Only

13. HAYDEN THOMAS CENTER
    NWC Hayden Rd & Thomas Rd - Scottsdale
    59,524 sq ft 1971 85251
    Anchor: World Gym

14. OFFICE MAX PLAZA
    SWC Osborn & Hayden - Scottsdale
    76,435 sq ft 1981 85251
    Anchors: Office Max/Walgreens

15. WALGREENS –STAPLES CENTER
    NW Osborn & Scottsdale Rd. - Scottsdale
    45,000 sq ft 1994 85251
    Anchors: Walgreens/Staples

16. THE CONTINENTAL BAZAAR
    SEC Indian School Rd & Hayden Rd - Scottsdale
    64,110 sq ft 1960 85251
    Anchor: Basha's/Walgreen's

17. MILLER PLAZA
    NEC Miller Rd & Indian School Rd - Scottsdale
    120,000 sq ft 1975 85251
    Anchor: Fry's

18. CAMELBACK MILLER PLAZA
    SWC Miller Rd & Camelback Rd - Scottsdale
    178,271 sq ft 1979 85251
    Anchors: OSCO/T.J. Maxx/Sunflower Market

19. CHAPARRAL PLAZA
    NWC Hayden & Chaparral - Scottsdale
    87,584 sq ft 1980 85250
    Anchor: Safeway

20. PARK SCOTTSDALE SHOPPING CENTER
    SEC McDonald & Granite Reef - Scottsdale
    100,698 sq ft 1964 85258
    Anchors: Basha's/Walgreens

21. LINCOLN PLAZA
SWC Lincoln Dr & Scottsdale Rd - Scottsdale
65,906 sq ft 1974 85253
Anchors: AJ's Fine Foods/OSCO

22. GATEVIEW PARK
SEC Indian Bend & Hayden - Scottsdale
105,000 sq ft 1994 85250
Anchor: Albertson's/OSCO

23. PASEO VILLAGE
NEC Hayden & McCormick Pkwy - Scottsdale
94,115 sq ft 1975 85258
Anchors: IGA Dale's Marketplace/Walgreens

24. MOUNTAIN VIEW PLAZA
SEC Hayden & Mountain View - Scottsdale
67,904 sq ft 1984 85258
Anchor: Vacant

25. CHECKER VILLAGE
NWC Scottsdale Rd & Gold Dust Ave - Scottsdale
88,900 sq ft 1978 85253
Anchors: Checker Auto/Hancock Fabrics/Pure Fitness

26. WILD OATS PLAZA
SWC Shea Blvd & Scottsdale Rd - Scottsdale
82,362 sq ft 1980 85254
Anchor: Wild Oats/Eckerd Drug

27. SHEA SCOTTSDALE CENTER
NEC Shea Blvd & Scottsdale Rd - Scottsdale
166,000 sq ft 1980 85260
Anchors: Safeway/OSCO

28. SHEA SCOTTSDALE EAST
NWC Shea Blvd & 74th St - Scottsdale
130,000 sq ft 1995 85260
Anchor: Harkin's Theaters

29. PIMA CROSSING
NWC Pima Rd & Shea Blvd - Scottsdale
269,046 1993 85260
Anchors: Paddock Pools/Bally Total Fitness/Stein Mart/Pier 1 Imports

30. SCOTTSDALE FIESTA
    SEC Pima Rd & Shea Blvd - Scottsdale
    514,500 sq ft   1991   85258
    Anchors: Fry's/Home Depot/Barnes & Noble/CompUSA/Office Max /PetsMart/ Linens N Things

31. MERCADO DEL RANCHO
    SEC Shea Blvd & 92nd St - Scottsdale
    104,286 sq ft   1985   85260
    Anchor: Chompies Bagels/Sprouts Farmers Market

32. FRY'S MARKETPLACE CENTER
    NEC Pima Rd & Via Linda - Scottsdale
    110,990 sq ft   1985   85258
    Anchor: Fry's Marketplace

33. MERCADO AT SCOTTSDALE RANCH
    SEC Mountain View & Via Linda - Scottsdale
    120,500 sq ft   1987   85258
    Anchors: AJ's Fine Foods/Walgreens

34. ANCALA VILLAGE
    SWC Via Linda & Frank Lloyd Wright Blvd - Scottsdale
    102,759 sq ft   1992   85259
    Anchors: Safeway

35. EAST THUNDERBIRD SQUARE
    NWC Thunderbird & Scottsdale Rd - Phoenix
    170,738 sq ft   1987   85254
    Anchors: Smart & Final/Ashley Furniture

36. NORTHSIGHT VILLAGE
    SWC Northsight & Hayden - Scottsdale
    108,000 sq ft   1998   85260
    Anchors: Home Depot/Ultimate Electronics

37. SCOTTSDALE TOWNE CENTER
    SWC Frank Lloyd Wright Blvd & Pima - Scottsdale
    307,835 sq ft   1994   85260
    Anchors: Target/Albertson's/T.J. Maxx/Ross

38. SONORA VILLAGE
    SEC Frank Lloyd Wright Blvd & Hayden - Scottsdale
    278,753 sq ft   1996   85260
    Anchors: Fry's/Staples/Organized Living/Best Buy

39. SCOTTSDALE HORIZON SHOPPING CENTER
SWC Frank Lloyd Wright Blvd & Thompson Peak - Scottsdale
156,636 sq ft 1997 85260
Anchors: Safeway/OSCO

40. THE PINNACLE OF SCOTTSDALE
NEC Scottsdale Rd & Pinnacle Peak - Scottsdale
118,510 sq ft 1991 85255
Anchors: Safeway/Pleasantries/Ace Hardware (Winter 2003)

41. DESERT VILLAGE SHOPPING CENTER
SEC Pinnacle Peak & Pima Rd - Scottsdale
117,385 sq ft 1996 85255
Anchors: AJ's Fine Foods/OSCO

42. LA MIRADA CENTER
NEC Pinnacle Peak & Pima Rd - Scottsdale
113,480 sq ft 1996 85255
Anchor: Walgreens

43. TERRAVITA MARKETPLACE
SWC Scottsdale Rd & Carefree Hwy - Scottsdale
105,808 sq ft 1996 85262
Anchors: Albertson's/Walgreens

44. CAREFREE COURT
SEC Carefree Dr & Tom Darlington - Carefree
84,248 sq ft 1988 85377
Anchors: Basha's/Ace Hardware

45. THE SUMMIT AT SCOTTSDALE
NEC of Scottsdale Rd & Ashler Hills Dr – Scottsdale
325,000 sq ft 2002 85262
Anchors: Safeway/Target/Eckerd Drug

46. SADDLE MOUNTAIN PLAZA
NEC Via Linda & 136th St – Scottsdale
42,230 sq ft 2000 85259
Anchors: Basha's/Walgreens

47. SIERRA CROSSINGS
NEC of Via Linda & Frank Lloyd Wright Blvd - Scottsdale
85259
Anchors: Walgreens/Tutor Time

48. Albertson's/Osco Village
SEC of Via Linda & Frank Lloyd Wright Blvd - Scottsdale
85259
Anchor: Albertson's/Osco

49. Grayhawk Plaza
SEC of Grayhawk & Scottsdale Rd - Scottsdale
2002 85255
Anchors: Basha's/Walgreens/Tutor Time

50. ADOBE Ranch Plaza
SEC Shea & Frank Lloyd Wright Blvd - Scottsdale
76,000 sq ft 1998 85259
Anchor: OSCO

51. McDowell Mountain Village
NEC Frank Lloyd Wright Blvd & Thompson Peak - Scottsdale
2002 85259
Anchors: Walgreens/AJ's

SPECIALTY STRIP CENTERS
(over 30,000 sq. ft.)

Center Name
Physical Location - Jurisdiction
Square Footage Year Open Zip Code

50. SCOTTSDALE EAST PLAZA
SEC Hayden & Roosevelt - Scottsdale
30,400 sq ft 1971 85257

51. PLAZA DEL RIO
SEC McDowell Rd & Miller Rd - Scottsdale
37,200 sq ft 1985 85257

52. PAPAGO PLAZA
SWC McDowell Rd & Scottsdale Rd - Scottsdale
124,744 sq ft 1960 85257

53. SCOTTSDALE OAK PLAZA
NWC Scottsdale Rd & Oak - Scottsdale
35,889 sq ft 1980 85257

54. SCOTTSDALE PLAZA
SWC Scottsdale Rd & Oak - Scottsdale
43,958 sq ft 1962 85257

55 WILSHIRE PLAZA
SEC Scottsdale Rd & Wilshire - Scottsdale
40,028 sq ft 1979 85257

56. PLAZA 777
SEC Scottsdale Rd & Earl - Scottsdale
40,547 sq ft 1970 85251

57. HILTON VILLAGE
NEC Scottsdale Rd & McDonald Rd - Scottsdale
93,038 sq ft 1982 85250

58. BORGATA OF SCOTTSDALE
NWC Scottsdale Rd & Rose Ln - Scottsdale
92,480 sq ft 1981 85253

59. THE SHOPS AT GAINEY VILLAGE
SWC of Scottsdale Rd & Doubletree Rd – Scottsdale
135,000 sq ft 85253

60. LINCOLN VILLAGE SHOPS
SWC Lincoln Dr & Scottsdale Rd. - Scottsdale
54,767 sq ft 1979 85253

61. SCOTTSDALE SEVILLE
NEC Scottsdale Rd & Indian Bend - Scottsdale
89,000 sq ft 1990 85253

62. VILLAGE AT HAYDEN
NW Via de Ventura & Hayden - Scottsdale
152,497 sq ft 1986 85258

63. MERCADO DEL LAGO
NWC Hayden& Royal Palms - Scottsdale
61,025 sq ft 1982 85258

64. VIA LINDA PLACE
SEC 90th St & Via Linda - Scottsdale
63,570 sq ft 1986 85258

65. THE MILIEU
NE Via Linda & Pima Rd - Scottsdale
114,476 sq ft 1985 85258

66. THE VILLAGE AT VIA LINDA
SWC 90th St & Via Linda - Scottsdale
39,314 sq ft 1985 85258

67. RANCH AUTO CENTER
NWC San Victor & 90th St - Scottsdale
63,000 sq ft NA 85258

68. RANCH CENTER
NEC 90th St & Via Linda - Scottsdale
54,942 sq ft 1985 85258

69. ACACIA CREEK VILLAGE
SWC Gold Dust & Scottsdale Rd - Scottsdale
39,600 sq ft 1996 85253

70. SHEA CORPORATE MEDICAL PLAZA
SEC Shea & 70th St - Scottsdale

71. SCOTTSDALE PROMENADE
NWC Shea Blvd & 70th St - Scottsdale
136,000 sq ft 1988 85258

72. AGUA CALIENTE
NWC Shea Blvd & 70th St - Scottsdale
48,099 sq ft 1987 85254

73. FOUNTAIN PLAZA
SWC Shea Blvd & 70th St - Scottsdale
32,312 sq ft 1988 85254

74. THE COURTYARD SHOPS
NWC Shea Blvd & 92nd St - Scottsdale
43,722 sq ft 1987 85260

75. THE PLAZA
SWC Scottsdale Rd & Thunderbird Rd - Phoenix
73,197 sq ft 1985 85254

76. SCOTTSDALE DESIGN CENTER
SEC Hayden & 83rd Pl - Scottsdale
59,943 sq ft 1986 85260

77. PALO VERDE SQUARE
SEC Frank Lloyd Wright Blvd & Desert Mountain - Scottsdale

40,000 sq ft 1999 85260

78. PINNACLE PEAK VILLAGE/PLAZA DE ALAMOS
    SWC Pima Rd & Pinnacle Peak - Scottsdale
    60,000 sq ft 1974 85255

79. THE CITADEL
    NWC Pima Rd & Pinnacle Peak - Scottsdale
    40,000 sq ft 1991 85255

80. EL PEDEGRAL & TOHONO CENTER
    SEC Scottsdale Rd & Carefree Hwy - Scottsdale
    63,200 sq ft 1988 85262

FREESTANDING STORES
(over 30,000 sq. ft.)

Store Name
Physical Location, Jurisdiction
Square Footage, Year Built, Zip Code

81. FRY'S
    NWC Thomas Rd & 61st Pl - Scottsdale
    104,535 sq ft 1977 85251

82. CHECKERS CENTER
    NEC Thomas Rd & Scottsdale Rd - Scottsdale
    44,012 sq ft 1960 85251

83. WAL-MART CENTER
    SE Chaparral & Pima Rd - Salt River Pima Maricopa Indian Community
    125,000 sq ft 1994 85256

84. FRY'S CENTER
    SW Shea Blvd & 74th St - Scottsdale
    77,681 sq ft 1995 85251

85. COSTCO
    NEC Hayden & 83rd Pl. - Scottsdale
    112,000 sq ft 1987 85260

86. WAL-MART SUPERCENTER/SAM'S CLUB
    NEC Northsight & Raintree Dr – Scottsdale
    1,251,222 sq ft 2000 85260

RETAIL CONCENTRATIONS
(Agglomerations of individually owned stores)

Area Name
Physical Location, Jurisdiction
Description, Square Footage
Store Types, Zip Code

87. WINDMILL PLAZA
    SEC Scottsdale Rd & Shea Blvd - Scottsdale
    Large concentration of small shops -approximately 180,000 sq ft
    Specialty/Neighborhood Retail 85251

88. FIFTH AVE DISTRICT
    N of Indian School Rd, W of Scottsdale Rd & SW of Arizona Canal - Scottsdale
    Large concentration of small shops - approximately 393,000 sq ft
    Specialty/Tourist Oriented Retail 85251

89. MAIN ST/OLD TOWN DISTRICT
    S of Indian School Rd, E of 70th St, N of 2nd St & W of Civic Center Drive - Scottsdale
    Existing large concentration of small shops - approximately 477,000 sq ft
    Specialty /Tourist Oriented Retail 85251

90. SUNDOWN PLAZA
    NWC Scottsdale Rd & Shea Blvd - Scottsdale
    Large concentration of small shops - approximately 100,000 sq ft
    Specialty/Neighborhood Retail 85260

SITE INFORMATION

SITE INFORMATION

There are locations available for retailers interested in locating in Scottsdale, as well as opportunities for the development of new retail centers or for the renovation of existing facilities. These sites are located throughout the community, both in established neighborhoods and developing areas. While this report has only targeted Scottsdale in general, information about specific locations within Scottsdale is also available from the City of Scottsdale's Economic Vitality Department.

If you would like information about potential sites, or if there is any other information you may require for site location analysis, please feel free to contact:

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